



## **Digital Video Tech Deters Theft, Saves Time**

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*By Del Williams*

Jewelers and specialty retailers are attacking employee theft, shoplifting, administrative error, and vendor fraud in switch to easy-to-use, remote management technology.

The cost of ignorance was \$34 billion in 2004. That's what inventory shrinkage cost US retailers last year, when product disappeared from their stores for no good reason, according to the latest National Retail Security Survey. To prevent, detect, and root out the top four shrinkage categories - employee theft, shoplifting, administrative error, and vendor fraud - jewelers and retailers are increasingly turning to digital video recording technology, with 38.3% of respondents indicating increased installations, according to the survey.

Retailers are benefiting from a host of digital theft-deterrent, time-saving features - such as "video audit" capability, POS integration, and 24/7 remote access - that can provide return on investment as quick as eliminating a source of theft or recovering a valuable misplaced item, as one jeweler found. Whether buying a new system or building on a base of existing equipment, retailers are installing digital systems themselves in a matter of hours, easily cutting shrinkage losses, and avoiding time-wasters such as returning to the store when false alarms are triggered.

### **The Drawbacks of VHS**

While VHS tape-based surveillance systems have been widely used at jewelry and specialty retailers for years, they suffer numerous drawbacks. Not only is VHS image quality poor but it also deteriorates as tapes are reused. And if someone forgets to change a tape every few days, nothing is recorded.

Furthermore, the tapes are bulky and easily misplaced. If specific visual evidence is needed, say for an internal theft case or suspected shoplifter, many hours of tape may need to be viewed. Not only this, but visual tape evidence is difficult to match with POS data such as items sold, day and time of sale, sale price, etc.

Since VHS tape-based surveillance systems cannot be viewed remotely, store owners also face the unwelcome prospect of returning to the store at all hours of day or night, whenever an alarm is triggered. This is particularly unpleasant for owners who drag themselves from bed for multiple false alarms.

"I knew VHS-based systems were on the way out," said Jesse Robinson, owner of Robinson's Jewelry store in St. Louis, Missouri. "I was tired of changing out tapes every third day, and forgot much too often. I wanted more than two weeks worth of taped images, better image quality, and image access from home via a laptop. I was ready for a change."

### **The Benefits of Digital Video Recording**

When Robinson's VHS tape-based surveillance system broke down recently, he chose to update his store with a digital surveillance and remote management system from Miami, Florida-based Eyeson Inc.

"I've got great staff, but my employees and customers know the premises are continuously

monitored," says Robinson. "That's an effective deterrent to theft of any kind."

Robinson appreciates his digital surveillance and remote management system's flexibility. "I can view input from all eight of my cameras on a single screen at the store or remotely," he says. "I can enlarge any image to full screen size for more detail, while all cameras continue recording. And I can search by date, time, camera, or other criteria to quickly track down possible sources of inventory shrinkage."

Because these next generation digital surveillance and remote management systems fully integrate with popular POS systems such as the Edge, they enable relevant POS data to appear with corresponding video images. Thus the day, time, and transaction taken can appear onscreen along with video of the clerk carrying it out.

For this reason unwarranted voids, exchanges, or other suspicious transactions can quickly be tracked to their source, allowing owners to detect, correct, or weed out sources of inventory shrinkage, whether employee theft, shoplifting, administrative error, or vendor fraud.

Since some specialty items such as jewelry are typically small and easily misplaced, it's not surprising that jewelry stores in the latest National Retail Security Survey reported nearly double the percentage of administrative/paperwork errors, compared to the retail average.

In these cases, digital video recording systems with search capability can help. A "video audit" capability - which allows instant searches by day, time, motion, camera, or other criteria - enabled one jeweler to quickly recover an expensive watch, more than paying for his digital system in a single event.

"After one hour of looking for a \$6,000 Rolex watch, I just could not find it," said Joseph Akar of Accar Ltd. in Miami Florida, who relied on his digital Eyeson system after realizing its full capability. "Within a few minutes of replay, I saw [where] I had left the watch. It was such a relief to know the watch was not stolen."

Key to Robinson's decision to purchase his new digital system, however, was that it would automatically record up to 45 days worth of images on a hard-drive, before recording over the oldest material, without ever requiring a tape change.

Because the images were digital, he could access them remotely from home via a laptop, thereby avoiding trips to the store for false alarms. He could "video audit" items for sale or repair, comparing before and after images for discrepancies. And if necessary, he could quickly burn an encrypted, unalterable CD of evidence for police or others with just a few mouse-clicks.

Although Robinson's digital system records up to 45 continuous days of images, systems from Eyeson can be configured to record up to 730 continuous days with superior image quality, due to image compression that's ten times as efficient as the industry average. For even longer storage capacity and the lowest price per day recorded, it can be set to record only when movement is detected on a camera-by-camera basis.

Because the system was designed for ease of use, Robinson was able to install it himself in a matter of hours, thereby saving the cost of an electrician or professional installer, which is typically required by less intuitive systems.

"Installation was easy," says Robinson. "I just mounted the cameras, ran cable, and plugged the cable into the computer. Once set up, I was recording immediately, since the software comes pre-

loaded and is simple to operate.”

While retailers increasingly turn to digital surveillance and remote management systems to fight employee theft, shoplifting, administrative error, and vendor fraud they’ll find they’re not only able to deter theft better but also put their time to better, more valuable use.

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